

From the District Director's Desk

By Francisco "Pancho" A. Marrero

As we welcome Steven Preston as our new Administrator, the District looks forward to working with him to conclude the 2006 fiscal year on a high note and begin laying the foundations for an outstanding 2007.

Administrator Preston brings a wealth of business management experience and knowledge with him to the post. No doubt his experiences as an investment banker will prove valuable to SBA's own venture capital and loan programs.

His management experiences will be an asset as he assumes the helm of our over 3,000 employee workforce and Resource Partner staff and volunteers.



I hope you will join us in welcoming Steve Preston to the SBA.

Lastly, I want to say thank you for all you are doing for South Florida's entrepreneurs. Because of your efforts, fiscal year 2006 is shaping up to be another record-breaking year for SBA-guaranteed loans.

SBA Welcomes New Administrator

By Althea A. Harris
Public Affairs Officer

Steven C. Preston was confirmed by the U.S. Senate by unanimous consent on June 29, 2006 to become the 22nd Administrator of the SBA. He has over 25 years of experience in financial and operational leadership positions including investment banking at Lehman Brothers and treasury management at First Data Corporation where he was a senior vice president.

Preston most recently served as Executive Vice President of The ServiceMaster Company where he also served as the Chief Financial Officer during a period of expansion, restructuring and significant change in the regulatory environment.

The married father of five children has served on numerous boards of philanthropic and other organizations and currently serves as vice Chairman of the Board of Visitors for the Weinberg College of Arts &

Sciences at his alma mater Northwestern University.

He graduated with Highest Distinction from Northwestern with a political science degree

and holds an MBA from the University of Chicago Graduate School of Business. He has also studied at the Ludwig-Maximilians-Universität in Munich, Germany.

As the SBA Administrator, Preston oversees the delivery of financial and business development tools to America's

entrepreneur. With a portfolio of direct and guaranteed business loans, venture capital investments and disaster loans worth almost \$80 billion, SBA is the largest single financial backer and facilitator of technical assistance and contracting opportunities for the nation's small businesses.

Throughout his career, he has been deeply involved in small businesses and recognizes the vital role they play in society. As such, Preston is passionate about the opportunity for relevant public service as the Administrator of the SBA.



Be Prepared When Disaster Strikes

*By Nuby J. Fowler
Region IV Administrator*

The very best time to respond to a disaster is before it happens. For small business owners in particular, a relatively small investment of time and money now can help minimize damage to property, reduce losses, and protect valuable assets in the event disaster strikes. The great lesson of 2005 is that disasters are unpredictable and that we should never underestimate the force of nature. In that regard, Hurricane Katrina has been a wake-up call for the entire country; teaching us that planning and preparation are key elements to both good business management and the protection of our families. Recent media reports from across the country have heightened our awareness of the fact that no region and no state are exempt from disasters, whether natural or man



made. Hurricanes, tornados, flooding, fire, ice storms, oil spills and terrorist attacks occur indiscriminately. But with proper planning, you can increase the likelihood of business survival, minimize your down time, and reduce the long term impact on your bottom line.

Among the top priorities for businesses and individuals alike is protecting critical records. Take time to make hard copy back-ups and store them in a secure location offsite. If possible make password protected electronic copies on a disc or jump drive and mail them to an out-of-state

friend or relative. These simple steps could save considerable time and money if your home or place of business is severely damaged. It is a good idea to meet with your insurance agent to make sure you understand what is covered and equally important what is not covered if disaster strikes.

Consider buying business interruption insurance, which covers lost profits and necessary expenses while your business is out of operation.

Be proactive; periodically conduct a risk assessment of your business, including the facility where it is located. Identify particular risks based on your geographic area. If you are in a region prone to hurricanes for example, take steps to protect your property such as installing storm shutters. You may be wise to develop contingency plans based on likely disaster scenarios. Just thinking through the process will serve you well in the event you need to activate emergency plans.

Above all, employ common sense measures that include strategies for communicating with employees, suppliers, customers, the local media and the general public. If it all seems overwhelming, just keep in mind that disasters really can strike anywhere and that your efforts today will make a big difference if the unexpected strikes your community. For more information on disaster preparation, go to www.ready.gov.

SBA Surety Bond Guaranty ProGrAm

*By John N. Dunn, Jr.
Assistant District Director for Econ. Dev.*

While the SBA is best known for its Loan Programs, there is another important service it provides to small business owners: the Surety Bond Guaranty (SBG) Program.

For more than 30 years, the SBG Program has helped small and emerging contractors who have the knowledge and skills necessary for success, but lack the combination of experience and financial strength to obtain bonds through regular commercial channels.

The SBA guarantees bid, performance and payment bonds issued by surety companies to small and emerging contractors, and reimburses the surety a percentage of the loss if the contractor defaults.

In addition to the surety's bonding qualifications the following SBA eligibility requirements apply:

- The contract must be \$2.0M or less;
- Contractor's business must be independently owned and must qualify as a small business under SBA guidelines;
- Contractor's average annual receipts (including affiliates) for the last three years can not exceed \$6.0 million
- Contractor must possess a good reputation and not be debarred, suspended or declared ineligible from transactions with any federal department or agency.

Many banks have routinely assisted contractors by issuing a Letter of Credit. These L/C's are frequently

secured by the contracting firm's liquid assets or the liquid assets of the firm's owners. This procedure can be burdensome and time-consuming as the arrangement generally requires a degree of bank underwriting, and the pledging of liquid assets as collateral can hinder the financial condition of the contractor. **A much simpler solution is for the contractor to utilize the SBA's Surety Bond Guaranty.**

Contractors can contact a surety bond producer who represents an SBG Program participating surety company. A list of local area producers can be obtained by calling the South Florida District Office at 305-536-5521. Additional information on the Program and its requirements is available at SBA's website: www.sba.gov/osg.

Focus on Finance

Save-the-Date!

SBA, Hewlett Packard
& SCORE
**Business
Matchmaker**

November 16, 2006
Fort Lauderdale
Convention Center

Meet public and private
sector buyers face-to-face!

**Registration Opens
September 27th**

www.businessmatchmaking.com

3rd Quarter Gains for Small Businesses

FY 2006 Top SBA Lenders

Loan Activity as of June 30, 2006*

3,339 7(a) Loan Guaranties Approved, \$462.5 Million

1	Bank of America N.A.	1,877	\$ 64.1
2	Capital One Federal Savings Bank	190	\$ 7.6
3	Washington Mutual	190	\$ 5.3
4	Banco Popular	142	\$48.4
5	CIT Small Business Lending Corp.	92	\$40.2
6	Business Loan Center, LLC.	90	\$18.3
7	Wachovia SBA Lending, Inc.	87	\$61.8
8	Citibank, FSB	76	\$ 4.3
9	Suntrust Bank	56	\$ 3.3
10	UPS Capital Business Credit	47	\$31.8

401 504-CDC Loan Guaranties Approved, \$217.6 Million

1	Florida Business Development Corp.	189	\$89.5
2	Florida 1 st Finance Capital Corp.	142	\$79.3
3	Gulf Coast Business Finance, Inc.	33	\$22.1
4	Southwest Florida Regional Dev.	19	\$13.8
5	Tampa Bay Economic Dev. Corp.	10	\$ 2.9

*** Get detailed statistical loan data and other valuable information about our District Office territory in the Market Profile by clicking on "Local Resources" at: www.sba.gov/fl/south**

ASK THE SBA. . .

Q. Can I limit the amount of the lien taken on collateral?

A. Policy Notice 5000-889 issued on October 23, 2003 addresses this issue through a change to SOP 50-10 (4) and is applicable to the 7(a) and 504 Programs.

This Policy Notice altered the language found in SOP 50 10 at page 95, to read as follows: "All liens on primary and secondary collateral must be taken for the "Full" amount of

the loan or the maximum permitted by appropriate State law.

As an exception to this general rule, a lien taken on certain secondary collateral consisting of a personal residence or real property held for investment purposes, may be limited to less than the full amount of the loan (but in no event less than 150% of the available equity in the property verified by a current real estate appraisal by a

qualified professional appraiser) if the loan is fully secured by the primary collateral and other secondary collateral (if any).

The "available equity" is calculated by subtracting the balance of existing mortgages or liens from the market value of the property (no discounted value is utilized to calculate available equity).

More Comings & Goings

Florida Women's Business Center Gets New Director

SBA welcomes **Carol Eaddy Langford** as she takes on the role of Director of the FWBC in Delray Beach. She has twenty-three years experience with Fortune 500 companies in financial management, risk assessment, and business development.

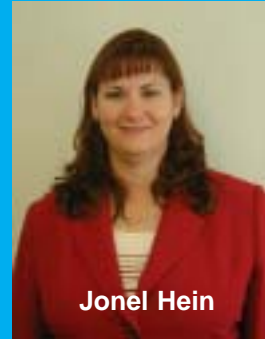


Carol is a summa cum laude graduate of South University with a B.S. in Legal Studies and an M.S. in Organizational Leadership from Palm Beach

Atlantic University. She currently serves on the advisory board of Aid to Victims of Domestic Abuse to continue the mission of eradicating violence in the home.

South Florida District Changes

After 22 years of outstanding service to the SBA, **Carol Doubleday** retired on July 21st. She is succeeded as Administrative Officer by **Jonel Hein** who has 15 years of service to the SBA, most recently as a Lender Relations Specialist. **Robert Chavarria** was promoted to District Director of the Lower Rio Grande Valley District Office in August. **J.T. "Tom" Gallman** is serving as the Area Marketing Manager for Service Area 2 in the



Jonel Hein

South Florida District Office. Located in the Ft. Pierce office, Tom meets the needs of small business customers in the northeastern counties of the District.



J.T. "Tom" Gallman & Robert Chavarria

1st SBA - VA Summit Opens Doors for Small Business

By Barry S. Meltz, CMR & PCR
Office of Gov't Contracting, Area III

South Florida small businesses networked for contracts and business opportunities with various Federal and Private Prime Contractors at the 1st Annual Joint SBA/VA Summit at the VA Hospital in Miami on July 26, 2006.

The SBA's Office of Government Contracting and the

South Florida District Office, Miami in conjunction with the U.S. Department of Veterans Affairs, Bay Pines and Miami hosted the event to provide small business owners new, timely and relevant training and counseling to help them capitalize on the business opportunities available with each other and the Summit's participating state and federal

government agencies.



Gil Colón, SBA South Florida Deputy District Director; Stephen Lucas, Director Miami VA Healthcare System; Wayne Simpson, Deputy Director VA OSDUBU, Wash.DC

The morning session featured dynamic panels including small business owners discussing the routes they took to become successful in government contracting; representatives of corporate and government prime contractors discussing upcoming contracting opportunities; and, informational presentations on SBA's financing and technical assistance programs.

The afternoon matchmaking sessions were a tremendous success with over 180 matchmaking appointments with several prime contractors, corporations, and government..

SBA and the VA are already planning and looking forward to an even greater 2nd Annual event for 2007.